

SPECIAL MUNICIPAL COUNCIL MEETING
AGENDA
26 MARCH 2020



Clyde Street
Knysna
6570

Clydestraat
Knysna
6570

iClyde
eKnysna
6570

PO Box 21
Knysna
6570

Posbus 21
Knysna
6570

Posbus 21
Knysna
6570

Tel: +27 44 302 6300
Fax: +27 44 302 6333

Tel: +27 44 302 6300
Faks: +27 44 302 6333

Umnxeba: +27 44 302 6300
Ifeksi: +27 44 302 6333

Notice is hereby given, in terms of Section 19(b) of the Local Government: Municipal Systems Act, 32 of 2000 as amended, that a **SPECIAL MEETING** of the **MUNICIPAL COUNCIL** of Knysna Municipality will be held in the **COUNCIL CHAMBER, Clyde Street, Knysna on THURSDAY, 26 MARCH 2020 at 12:00** to consider the business set forth in the attached agenda.

Kennis geskied hiermee as gevolg van Artikel 19(b) van die Plaaslike Regering : Munisipale Stelsels Wet, 32 van 2000, dat 'n **SPESIALE VERGADERING** van die **MUNISIPALE RAAD** van Knysna Munisipaliteit in die **RAADSAAL, Clydestraat, Knysna op DONDERDAG, 26 MAART 2020 om 12:00** gehou sal word ten einde sake soos uiteengesit in die aangehegte agenda te oorweeg.

Ibhunga lika**MASIPALA** waseKnysna lazisa ngomthetho okwisolotya 19(b) wenkqubo mgaqo olawula oMasipala, 32 of 2000, njengoko utshintshiwe, **NGENTLANGANISO EKHETHEKILEYO** ye**BHUNGA** lika**MASIPALA** waseKnysna eyakubanjelwa **KWIGUMBI LEKHANSILE** kwisitalato iClydee, Knysna lentlanganiso iyakuba **NGOLWESINE, NGOMHLA WE 26 EYOKWINDLA 2020** ngentsimbi ye **12:00** umba iyakuba lushishino oluchazwe kwi-agenda.

CLLR T GOMBO
The Speaker
Die Speaker
Usomlomo

DR M R GRATZ
Acting Municipal Manager
Waarnemende Munisipale Bestuurder
iBambela Mawejala Masipala

Date : 25 March 2020

SPECIAL MUNICIPAL COUNCIL MEETING
AGENDA
26 MARCH 2020

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AGENDA

1. OPENING AND WELCOMING
2. SILENT PRAYER
3. ATTENDANCE OF MEMBERS
 - 3.1 COUNCILLORS PRESENT
 - 3.2 COUNCILLORS WITH LEAVE
 - 3.3 COUNCILLORS WITHOUT LEAVE
4. NOTING THE PROVISIONS OF SCHEDULE 1 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000
5. DISCLOSURE OF INTERESTS BY COUNCILLORS

6. NEW MATTERS SUBMITTED BY THE ACTING MUNICIPAL MANAGER

6.1

SC01/03/2020

2020-2021 DRAFT IDP REVIEW

REPORT FROM ACTING MUNICIPAL MANAGER

PURPOSE OF THE REPORT

The purpose of this report is to table the 2020/2021 Draft IDP Review to the Municipal Council.

CURRENT REQUIREMENTS FOR CONSIDERATION

In terms of section 34 of the Municipal Systems Act, 2000 (Act 32 of 2000) it is required that Council conducts an annual review of its IDP.

"A municipal council –

- (a) must review its integrated development plan –*
 - (i) annually in accordance with an assessment of its performance measures in terms of section 41; and*
 - (ii) to the extent that changing circumstances so demand; and*
- (b) May amend its integrated development plan in accordance with a prescribed process."*

A draft review of the IDP must be tabled to the Council on or before 31 March 2020 in terms of the IDP & Budget Time Schedule approved by the Council on 22 August 2019 for the IDP review process. Subsequent to the tabling of the draft IDP Review, it will be advertised for public comment and further input will be invited from all relevant stakeholders.

This draft review IDP aims to evaluate the performance in terms of the strategic objectives which Council have adopted for its term of office and also to reflect the updated priorities of the various communities in the Greater Knysna Municipal Area. The draft IDP review will be advertised/publicised and consulted for a period of 30 days for public perusal and comment as legislatively required.

This draft review IDP process also lays the basis for the introduction of an intent to amend the IDP based on the SDF review.

A Memorandum, that details the initiating of the intended IDP amendment process is included as an annexure.

RECOMMENDATION OF THE ACTING MUNICIPAL MANAGER

- [a] That Council takes cognisance of the Draft third review of the Fourth-Generation IDP
- [b] That Council takes cognisance of the approved Spatial Development Framework as incorporated in the IDP; and
- [c] That Council takes cognisance of the amendments to the Spatial Development Framework as per the tabled Memorandum.

APPENDIX / ADDENDUM

Draft Review IDP 2020/2021
Memorandum

File Number: 9/1/2/14
Execution: Acting Municipal Manager
Director : Corporate Services
Manager : IDP

6.2

SC02/03/2020

TABLING OF DRAFT ANNUAL BUDGET 2020/2021-2022/2023

REPORT FROM THE DIRECTOR : FINANCIAL SERVICES

PURPOSE OF THE REPORT

To table the final draft multi-year operating and capital budget for the 2020/2021, 2021/2022 and 2022/2023 MTREF, tariffs, budget related policies, service level standards and draft resolutions before Council to be approved for consultation.

BACKGROUND

Section 16 of the Municipal Finance Management Act states as follows.

16. Annual Budgets

- (1) The Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

DISCUSSION

Section 17 (3) of the MFMA states.

"When an annual budget is tabled in terms of Section 16(2), it must be accompanied by the following documents:

- (a) Draft resolutions -
 - (i) approving the budget of the municipality;
 - (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
 - (iii) approving any other matter that may be prescribed;
- (b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;
- (c) a projection of cash flow for the budget year by revenue source, broken down per month;
- (d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of Section 34 of the Municipal Systems Act;
- (e) any proposed amendments to the budget-related policies of the municipality;
- (f) particulars of the municipality's investments;
- (g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;

- (h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
- (i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
- (j) particulars of any proposed allocations or grants by the municipality to -
 - (i) other municipalities;
 - (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
 - (iii) any other organs of state;
 - (iv) any organisations or bodies referred to in Section 67 (1);
- (k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of -
 - (i) each political office-bearer of the municipality;
 - (ii) Councillors of the municipality; and
 - (iii) the Municipal Manager, the Chief Financial Officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;
- (l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of -
 - (i) each member of the entity's Board of Directors; and
 - (ii) the Chief Executive Officer and each Senior Manager of the entity; and
- (m) any other supporting documentation as may be prescribed.

Section 22 of the MFMA states.

22. Publication of annual budgets

Immediately after an annual budget is tabled in a municipal Council, the Accounting Officer of the municipality must –

- (a) in accordance with Chapter 4 of the Municipal Systems Act -
 - (i) make public the annual budget and the documents referred to in Section 17 (3); and
 - (ii) *invite the local community to submit representations in connection with the budget; and*
- (b) submit the annual budget -
 - (i) in both printed and electronic formats to National Treasury and the relevant Provincial Treasury, and
 - (ii) in either format to any prescribed National or Provincial organs of state and to other municipalities affected by the budget.

Section 23 of the MFMA states.

23. Consultations on tabled budgets

- (1) When the annual budget has been tabled, the municipal Council must consider any views of -
 - (a) the local community; and
 - (b) the National Treasury, the relevant Provincial Treasury and any Provincial or National organs of state or municipalities which made submission on the budget.
- (2) After considering all budget submissions, the Council must give the Mayor an opportunity –
 - (a) to respond to the submissions; and
 - (b) if necessary, to revise the budget and table amendments for consideration by the Council.
- (3) The National Treasury may issue guidelines on the manner in which municipal Councils should process their annual budgets, including guidelines on the formation of a committee of the Council to consider the budget and to hold public hearings.

- (4) No guidelines issued in terms of subsection (3) are binding on a municipal Council unless adopted by the Council.

FINANCIAL IMPLICATIONS

See attached the, Medium Term Revenue and Expenditure Framework (MTREF) 2020/2021–2022/2023.

RELEVANT LEGISLATION

1. The MFMA Section 16, 17(3)(a)(i) and 24
2. Municipal Budget and reporting regulations (Schedule A)
3. MFMA Circulars with the latest being circular 91
4. Council budget related policies

RECOMMENDATIONS BY THE EXECUTIVE MAYOR

- [a] That Council approves the tabled annual budget of the municipality for the financial year 2020/2021 and the two outer years 2021/2022 and 2022/2023 as per **Annexure A** (Budget schedules A1 to A10 and SA1 to SA 37), and **Annexure B** (capital budget per department and per funding source);
- [b] That Council approves the tabled property rates and tariffs as contained in **Annexure C** for the 2020/2021 budget year;
- [c] That Council takes note that the electricity tariffs as included in **Annexure C** has not yet been approved by NERSA and will only be considered later by NERSA;
- [d] That Council takes note of the sensitivity analysis of the proposed rates and tariff increases for consumers as per **Annexure D**;
- [e] That Council takes note of MFMA Budget Circular 98 and 99, Cost containment Regulations and NERSA guidelines attached as **Annexure E**;
- [f] That Council take note of the proposed changes to the budget related policies attached in **Annexure F**, which will be discussed during a workshop with Council on a date to be confirmed by the Speaker in April 2020, and again re-submitted to Council on 28 May 2020 for final consideration;
- [g] That the tabled service standards attached as **Annexure G** be approved;
- [h] That Council take note of the list of projects funded from external loans, attached as **Annexure H**;
- [i] That the 2020/2021 MTREF Procurement Plan per **Annexure I** be approved;
- [j] That Council takes note that version 6.4 of the mSCOA classification framework was used to prepare the budget;
- [k] That the public participation process is seriously affected due to COVID-19 as well as the measures announced by the President of the Republic, President Cyril Ramaphosa.

- [1] That the project on conversion of the conventional electricity meters for household and business behind with their Municipal accounts, be completed by November 2020 and all new household electricity meter installations be on prepaid.

APPENDIX / ADDENDUM

- Medium Term Revenue and Expenditure Framework (MTREF) 2020/2021–2022/2023
- Annexure A: Main budget tables and Supporting tables
- Annexure B: Capital Budget per department and per funding source
- Annexure C: Tariffs, charges and fees for 2020/2021 MTREF
- Annexure D: Sensitivity analysis of the proposed rates and tariffs increases
- Annexure E: MFMA Budget circulars, Cost containment regulations and NERSA guidelines
- Annexure F: Policies
- Annexure G: Service Level Standards
- Annexure H: Projects funded from external loans
- Annexure I: Procurement Plan 2020/21 MTREF
(To be circulated separately)

File Number : 9/1/2/10

Execution : Acting Municipal Manager
 Director : Financial Services

